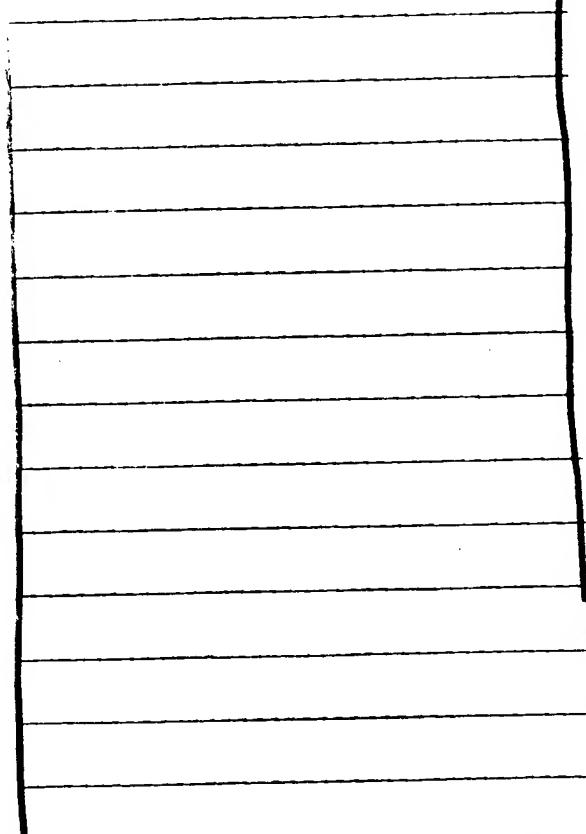


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DOCUMENTS CROSS-REFERENCE

ATTACHED: PLEASE TRY NOT TO
REMOVE FROM DOCUMENTS THANKS...

ER 85-39624/1



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ROUTING AND TRANSMITTAL SLIP

1 October 1985

TO: (Name, office symbol, room number,
building, Agency/Post)Initials _____ Date
STAT

1. _____

2. DDCI *R* *DR*

3. ADDI

4. _____

5. _____

Action	File	Note and Return
Approval	For Clearance	Per Conversation
<input checked="" type="checkbox"/> As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

answer to question is good
question to attachments

DO NOT use this form as a RECORD of approvals, concurrences, dispositions,
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Richard J. Kerr
ADDI

Room No.—Bldg.

7E44 HQS

Phone No.: _____

STAT

5041-102

★ GPO : 1983 O - 381-529 (301)

OPTIONAL FORM 41 (REV. 7-76)
Prescribed by GSA
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C-158



Central Intelligence Agency
Office of the Deputy Director for Intelligence

21 October 1985

NOTE TO: DDCI
FROM: ADDI

Executive Registry
85- 3962/1

SUBJECT: Independent Contractors

[Signature] Attached is some background on our use of independent contractors. I think it is responsive to your question. I will look at ways we might include an acknowledgement of CIA funding, but I believe that no academic would be enthusiastic about including such an acknowledgement in anything they publish. They want and need our money but do not want to admit association with us. It is not that we are reluctant to admit such a relationship.

[Redacted area]

STAT

Richard J. Kerr

Attachments:
As stated

DCI
EXEC
REG

0-158

SECRET

DDI-~~25-158~~/85

16 October 1985

MEMORANDUM FOR: Associate Deputy Director for Intelligence

FROM:

25X1

DI External Contracts Coordinator

SUBJECT: Independent Contractor and Conference Data

Dick:

1. This memorandum responds to your request for information on DI policy and practice with respect to external contracting with individuals (Independent Contractors); with academics; and unclassified conferences we have sponsored.

2. The Agency contracts for the services of individuals in three distinct ways:

- A. With the individual as an individual (Independent Contractor arrangement)
- B. With the individual as an incorporated business entity
- C. With a private/public enterprise (business, university, etc.) stipulating that the services of a particular individual be utilized in conjunction with the contract ("Key Personnel Clause")

A. Independent Contractors

By definition, "Independent contractors are self-employed individuals who, for a fee or other legal consideration, contract to provide a formally agreed-upon service or product according to their own methods. They are not employees of the US Government, and no employer-employee relationship exists. That is, they are not supervised nor directed in their work by US Government personnel, and the Government has no right to control the means, manner, or details by which the agreed-upon services are performed. Independent contractors receive a fee and any additional considerations necessary to retain their services. That period of time involved in providing services to the Agency as an independent contractor, however, is not creditable to CIA retirement or any other Agency benefits program."

SECRET

SECRET

SUBJECT: Independent Contractor and Conference Data

Individuals working for the Agency as Independent Contractors are retained under personal services contracts. They may work on projects that are either classified or unclassified, although the latter is normally the case. In an Independent Contractor relationship the Agency pays only for the work done by the individual; and the payment to that individual during a contract year is restricted to the level of a GS-15/Step 10--currently \$67,940.

The individual working as an Independent Contractor must be approved (not necessarily "cleared") by the Office of Security and, in addition, signs an "Organization Secrecy Agreement" and "Statement of Transactions and Financial Interests" (for conflict of interest reasons). Currently there is no specific clause in the contract relating to ownership of product, nor is there a prepublication clause restricting future articles taken in whole or part from the Agency-sponsored work.

B. Incorporated Contractors

When the Agency contracts with an individual as a business entity it is, in fact, contracting with a corporation. There is no upper limit on the amount that can be paid to the corporation, although--as in all negotiated procurements--audit information is reviewed to ensure that all indirect allowable costs for G&A (general and administrative) are reasonable, and that all direct costs for personnel are likewise in proportion to the services being rendered. The Agency in this case is buying the product and therefore owns it. The contractor may, however, request to use all or part of reports prepared under this contract; they must be submitted to the Agency for review unless we waive this right.

C. Individuals Employed By Institutions

When the Agency contracts with a private/public enterprise for the services of a particular individual through a "key personnel" clause, the process is similar to that in B, above. In this case, however, the individual is specified to ensure the quality of personnel working on our contracts rather than to force the individual to remain in the employ of the institution. Contract costs likewise are audited under this arrangement and prepublication agreements also apply.

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SUBJECT: Independent Contractor and Conference Data

[Redacted]

25X1

Attachment 2 provides a list of the DI's Independent Contractors and their academic affiliation. Attachment 3 is a list of our FY 1984 and 1985 contracts with universities.

4. On the subject of conferences, Attachment 4 outlines the number of DI sponsored conferences from FY 1982 through February 1985. In addition, I have included a listing of all conferences held during FY 1984. We will have information on FY 1985 conferences later this week.

[Redacted]

25X1

Attachments:
As stated

SECRET

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Next 14 Page(s) In Document Denied